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ASSOCIATED STUDENTS STORE BOARD REPORT

April 9, 1963

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Part I

Significant Dates in the History of the Montana State University Book Store

- 1919 -- The Student Store was first established in a small building behind Main Hall, or Old Main, as it was then called.
- 1920 -- November 16 - The first Articles of Incorporation were adopted by a 2/3 vote of the student body members present in convocation assembled. The Store Board of Directors consisted of three students and two faculty members.
- 1923 -- June - Morris H. McCollum was appointed manager of the Student Book Store, which was then located in the Forestry Building.
- 1927 -- June - The store purchased a soda fountain to be in operation until 1956.
- 1928 -- The lots on the corner of University Avenue and Maurice were purchased.
- 1930 -- February 13 - The Store Board established the first Trust Fund Committee, consisting of:
The president and business manager of the University; the president and business manager of the Associated Students; the president and manager of the Associated Students Store. The purpose of this committee was to invest the funds in their custody "in stocks, bonds, mortgages, etc. for the purpose of increasing the fund until such time as they are needed for other purposes."
(Store Board Minutes, Feb. 13, 1930)
- 1935 -- The store moved into the Student Union Building (now the Fine Arts Building) and occupied the first floor.
- 1956 -- The store discontinued the fountain service. The first mention of disincorporating the store was made in April.

"Gaughan presented the board with the considerations of the Store Board which include possibility of de-incorporation of the store, and then the possibility of having the student store moved into the lodge and taken over by the student themselves., under Central Board. (sic) Gaughan said that the taxation problem would be solved by the elimination of the payment of taxes if the store would de-incorporate. Also, Gaughan pointed out that the corporate form of store had kept the store from the control of the students, and that if de-incorporated the store would be more of a student-controlled activity."
(Central Board Minutes, April 11, 1956)

Central Board Minutes
Thursday, April 19, 1956

"The meeting was called to order by President Jystad. Jystad told the board that the purpose of the meeting was to discuss with store board, the proposed

deincorporation of the student store. The following was presented to the students present:

Proposed Provisions for acceptance of the assets and liabilities of the Associated Students' Store by Montana State University:

1. That the students shall have some say in management and policies (sic) of the store's operation.
2. That once the building is paid for, the profits will be distributed, after surplus is established, to Central Board.
3. That the store continue to be called The Associated Students' Store, or Students' Store.
4. That the same type of management be maintained.
5. That the purposes and objects for formation of the store as outlined in the following paragraphs of the articles of incorporation be retained:
 - a. To promote and foster the educational, intellectual, social, and athletic interests of the students and faculty of the State University of Montana.
 - b. To provide textbooks, stationery, confectionary and other student supplies and commodities of whatsoever kind or description at the lowest competitive cost consistent with the welfare of the store.
 - c. To purchase, lease, or otherwise acquire, or hold or dispose of an appropriate place of business.
 - d. To borrow money, pledge credit and mortgage security to the extent necessary to the accomplishment of the aforesaid purposes.

Gaughan reported that when the group talked to the lawyer, they found that if the store is turned over to the student body, (sic.) the same tax problem that is now in existence will still apply. It was suggested that the property of the store be given to the University, and set up the student board to be in charge of the operation of the store. Gaughan said that the group also found that it might be necessary to put the proposed de-incorporation to a student vote. Gaughan said that if the title to the store is in the name of the University of Montana, no taxes will be charged the store. Johnson said that the problem now facing the group is the transfer ~~ence~~ of the assets to the University. Gaughan said that a cooperative type store was also suggested. McCollum said that the prices of the books are determined by the publisher, and so it is not possible to lower these rates. Crippen said that he thought the de-incorporation issue should be put to a student vote. Leuthold suggested that it be discussed at a meeting to which all students who had opposition to the plan would be invited. In this manner, all those with opposition would be heard, and the boards would base their decision on this opinion. Jystad suggested that he talk with the President concerning the role of the University in this venture, and more concrete proposals could then be drawn up by the boards. Jystad also suggested that this issue be considered at the Saturday's Central Board meeting, and at that time action be decided upon."

Central Board Minutes
April 21, 1956

"Jystad said that he had talked to President McFarland and that the formal acceptance and dissolution is being drawn up. Jystad said that he is sure that it is the plan of the University to turn the store over to Central Board and have it under the control of Central Board. Jystad said that as long as no one is hurt in the transaction, a vote would be trivial and unnecessary--in connection with the students' voting on the dissolution of the corporation of the store."

1957 -- The Store Board of Directors was increased, the plans for moving into the lodge were formulated, and the final vote for disincorporation was passed.

Central Board Minutes
January 10, 1957

"Discussion was held concerning operation of the University Book Store. Larry Gaughan explained that the Student Store is organized under Montana laws as a non-profit organization; if profit is made it has gone to Grizzly athletics. It is now run as a corporation but will be unincorporated and function as a branch of the University upon move to the new site. It now has a board of directors composed of 5 students and 5 faculty members. No meetings of the board have been held so far and the board of directors is really in a period of transition at the present time. Gaughan also suggested that Central Board might take some action to have an efficient change over in the form of operation. Fowler felt that special talents were necessary for members of the board and that selection of members be carefully made. Gaughan felt that the students should be educated about the policies of Store Board; he also added that Central Board members would be good student contacts. Since the function of Store Board at the present time is so vague it was decided after much discussion that the members of Store Board and Morris McCollum, manager of the bookstore, be invited to the next Central Board meeting to discuss the problem further."

Central Board Minutes
January 22, 1957

"Morris McCollum, bookstore manager, presented to Central Board floor plans for the new store which will be located on the second floor of the Lodge addition. In answer to questions from members of Central Board, McCollum stated that although Store Board has not met yet this year, any major changes or purchase of major equipment have always been approved by Store Board; faculty members of the board have never dominated - they have, in fact, more or less gone along with student opinion. He said that deincorporation of the board will probably effect no major changes. The board of directors will, upon deincorporation, be replaced by a student-faculty committee composed of 5 faculty members appointed by the administration and 5 student members selected by Central Board. The administration will then have legal control and will decide how any profit made is to be spent; the bookstore under the new plan will then function as a branch of the University. In the past the 5 students and 2 faculty members of Store Board have legally composed the board of directors and all profits from the store have been returned to ASMSU for allocation. McCollum said that under the new system, all profits made in approximately the next 15 years will probably be used to pay for the Lodge addition. Store Board voted to deincorporate last spring but final steps have not as yet been taken. He definitely felt that student representation on the new committee would be of importance; although the administration will have control legally, student opinion will be needed. When asked the necessity of having students with special talents on the committee, McCollum replied that qualifications should only be limited to good, responsible, level-headed students; however, a student in business administration might be desirable. When asked about operation of the store he said that text books comprise about 70% of the total sales and that only about 10¢ profit is made on each \$10 text book sale. Besides this, extra text books ordered by the store cannot be returned for full price. Profit is slight (sic) higher on small items such as pencils, but even considering these small items total profit is small.

Discussion then followed concerning whether students should (sic) be appointed to this committee. MacPherson felt that students (sic) on the committee might be useless and have nothing to say, particularly if all profit for 15 years is to be used to pay for the building. Shope said that since we have been asked to appoint a committee we should do it. Perrior added that students in the future may want to have some say about the bookstore and we should therefore keep student representation on it be (sic) starting now. MacPherson said that such a committee might lie dormant for years. McCollum again expressed his opinion that the committee will not be useless, that student opinion would be asked.

Shope moved that Central Board appoint 5 students (sic) to the student-faculty Store committee. Petit seconded.

Cook amended the motion to read that the students which Central Board will appoint shall be the present student members of Store Board. Shope seconded the amendment.

MacPherson suggested that students (sic) submit applications since it will be a new committee and a larger selection of student opinion would be voiced. Scriven agreed. Powell reminded Central Board that only 4 applications were submitted last year--not enough (sic) to hold a student election. MacPherson felt that it could be publicized this year and Shope added that more persons would be likely to volunteer or submit applications than would run in an election. Cook's amendment was defeated 3-8 (Perrior, Cook, Cogswell in favor; Brown abstaining).

Shope's motion was passed 11-0. (Perrior abstaining.)

Members of the old Store Board may also submit applications if they so desire."

Central Board Minutes
May 22, 1957

"John Powell said that last night the Store Board voted to disincorporate the student store and the funds will go to ASMSU. Five student representatives act as advisors on this Board. Powell recommended Central Board to be careful (sic) in appointing students since the assets will be in the hands of this Board. Three students should be chosen to replace the three seniors now on Store Board. The remaining two members will have to be reappointed and will carry over from this year. The Board plans on receiving a tax refund which will go to ASMSU."

Central Board Minutes
June 2, 1959

RE: Tax Refund

"Ulrich reported that the Associated Students Store had been incorporated in the old Student Union Building, but that it had been disincorporated when moved to the lodge on the erroneous premise that it would be exempted from taxes only if it was disincorporated. For the last two years the Student Store has been managed by the University, and the Store Board members Risse recommends must be approved by the President."

- 1961 -- April 17. The MSU Book Store was once again officially Incorporated under the name of the Associated Students Store. (more fully explained in the 1961-62 Annual Report).
- 1961 -- May 25. The bylaws were adopted and the students and faculty were officially accepted into the corporation.

Part II

The Athletic Debt

May 21, 1959, the Student Store Committee approved the Proposed Resolution for the adoption of "Articles of Government" for the General Management of the ASMSU Student Store. Following are the sections of the Articles of Government pertaining to the Athletic Debt incurred in 1959:

Section 5. Now, therefore, be it resolved, that this, the Student Store Committee, duly appointed, acting as the "board" referred to in that resolution, adopt and confirm the provisions of the Articles of Incorporation of the old "Associated Students' Store" Corporation, in so far as they may be applicable, as the basis for "managing" the operations of the ASMSU Student Store; and

Section 6. Be it further resolved that this committee expressly confirm in these Articles of Government the provision which requires that, "Any accumulation of funds over and above the needs of the store shall be put into the general fund of the Associated Students of the University to be used for the furtherance of Athletic and social activities among the students of the State University" in recognition of the sole and exclusive ownership of ASMSU therein; . . .

(See Appendix, page vii, Articles of Incorporation of the Associated Students' Store, Article II, Section B. for current profit procedures.)

Central Board Minutes
March 17, 1959

A special meeting of Central Board was called to order by the President, Larry Pettit, for the purpose of discussing the following resolution:

"WHEREAS, the Student Store committee of Montana State University has recommended to the President of Montana State University that, hereafter, any accumulation of funds over and above the needs of the store shall be paid into the General Fund of the Associated Students of Montana State University; and

WHEREAS, the President of Montana State University; ~~has~~ accepted said recommendation and has agreed that such funds be so paid into said General Fund; and

WHEREAS, it is deemed necessary to pledge certain of said accumulation of funds hereafter to retire a certain loan to Montana State University from the First National Bank of Missoula, Montana, until said loan is paid in full;

NOW, THEREFORE, BE IT THEREBY RESOLVED that Associated Students of Montana State University hereby agree to pledge from said accumulation of funds, until said loan is paid in full, an amount of not less than five thousand dollars (\$5,000.00) per year, up to the amount of ten thousand dollars (\$10,000.00) per year, for the purpose of retiring said loan in the sum of twenty-five thousand dollars (\$25,000.00) granted to Montana State University by the First National Bank of Missoula, Montana, dated as of the 17th day of March, 1959, with any sum greater than ten thousand dollars (\$10,000.00) per year of said accumulation of funds to be useable for other purposes, as the Associated Students deem proper."

Ulrich and Risse said they were opposed to a "gift" of \$25,000 to the Athletic Department. Ulrich asked who had control of the Student Store profits before. Pettit said that McFarland had been in control of these funds, and that Acting President Castle had returned these profits to ASMSU this year.

Risse moved that said resolution with the First National Bank of Missoula, go into effect when we have an agreement from Montana State University, signed by the MSU President, to repay all funds taken from the Student Store to pay off the loan. This repayment to ASMSU shall not take longer than five years (5) after the time the loan is paid off to the bank, and shall be paid back at the rate of interest they paid the bank. Meyer seconded. Beller, Tustison, and Pettit were opposed to making MSU pay the full amount. Meyer moved to amend the motion by striking out the words "and shall be paid back at the rate of interest they paid the bank," Beller seconded. Passed 7-0. (Stone abstained, Ulrich opposed.) The motion passed 7-0. (Tustison and Stone abstained.)

Central Board Minutes
March 31, 1959

This special meeting of Central Board was called by President, Larry Pettit, to reconsider the stipulation attached to the loan resolution at the March 17th meeting. The minutes of the last meeting were read and approved as corrected. (Correction: Beller opposed the loan resolution stipulation.)

PETTIT told us that our action would be setting a precedent as many fear, but that we are caught in a dilemma which needs special consideration and action--an unusual situation that should no longer occur.

DR. CASTLE said that Athletics is a student oriented, student sponsored activity, and he hopes the students will back this loan. Last meeting's decision seems to show division between the students and the administration. Castle said he would hate to see this happen. Student store profits in the past have been used for athletic and social events. He said that such a deficit should not occur again, since the administration is trying to draw up realistic budgets.

DAHLBERG said the athletic department is in a dilemma, not only this spring, but possibly next year. They hope for an enhanced program next year which will call for an increase in student fees and more help from the alumni.

ULRICH feels that athletics are no longer for the students, but a business. Why, therefore, should we contribute \$25,000? There was discussion agreeing and disagreeing with this supposition.

BADGLEY told us that the Store Board profits have always gone to Central Board or to the store itself for improvements. The store's board of directors decided if the store needed improvements.

JENKINS, speaking for all Intercollegiate Athletics, said that if MSU is going to compete, we should compete favorably. Competing "favorably" requires the cooperation of all connected with MSU, especially students.

METCALF moved to authorize the resolution as originally presented (without the stipulation of repayment.) Datsopoulos seconded. Passed 8-1. (Ulrich opposed; Risse, Stone, King abstained.)"

Associated Students Store Board Committee Minutes
October 27, 1961

"The \$10,000 balance of the athletic deficit was discussed. For the benefit of the new board members it was explained that the debt in question was incurred by an athletic loan of \$25,000 made three years ago. Having paid \$5,000 plus yearly interest for three years leaves a present balance of \$10,000. Mr. McCollum explained that if the loan were paid off now there would be sufficient funds to buy books at the end of the quarter; he further explained that there would be no need to purchase any large equipment for the store this year. Dan Bieri moved that the board "pay off the balance due to the First National Bank which was incurred three years ago through the athletic deficit." Seconded and carried."

Part III

ASSOCIATED STUDENTS' STORE CORPORATION

Annual Report 1961-62

To better inform the members, students and faculty, of the operations of the Montana State University's Book Store, for 1961-62, this first annual report properly includes a brief statement concerning the background of the Store's recent reincorporation.

At the insistence of the University administration in 1957, the original book store, operating as a corporation for thirty-five years, was dissolved, the assets being transferred formally to the Associated students of Montana State University, and the management of the store being vested in a "committee" of ten members, known as "Store Board", composed of five faculty members, and five students, appointed by the administration.

Following a change in the University's administration in 1958, the members of the "Store Board" passed a resolution, accepted by the University administration, to the effect that it would continue to manage the student store subject to the provisions of the original corporation's articles of incorporation, as a basis for determining general management policies.

In the academic year of 1959-60, following President Newburn's installation as President, a number of interested students suggested to him the desirability of reincorporating the Store. Some members of the Store Board aided in giving him background information on the original dissolution. Following approval by the President, the Board determined that the Store should be reincorporated, and spent considerable time in drafting the necessary articles and by-laws for that purpose, during 1959-60.

Both the old and new stores were incorporated as strictly non-profit corporations. So, the articles of both provided that no dividends should ever be distributed to any of its members. However, whereas, the former's articles stated simply that any excess funds "shall be paid into the general fund of the associated students...for the furtherance of athletic and social activities among the students...", the present articles require that any such excess funds "be paid into a special reserve fund to be used for special programs, services, projects, or capital improvements, of particular educational, cultural, and institutional value to the university community." This change marks a decided improvement in the uses for which excess store funds ultimately may be devoted.

Presently, the five student members of the Board are elected by the students in their regular spring elections, and the five faculty representatives are appointed by the Budget and Policy Committee, "with the approval of the President." The Store's "Powers, business and property," are "exercised, conducted and controlled" by its board of Directors, subject to a reserve authority in the President to require that its management not be contrary to the over-riding interests of the University.

The Associated Students' Store's certificate of incorporation was issued on April 17, 1961. Though originally incorporating only "Store Board" members, in the spring elections shortly thereafter, both the student and the faculty

approved overwhelmingly, the proposal that their members should become members of the Store Corporation, as authorized by its articles.

The Board has relied on the following three important propositions, in shaping general management policy: 1. For the student membership, that a primary purpose of a university community store is to offer all required books, supplies and equipment at the lowest possible price, consistent with prudent management practices; 2. For the faculty membership, that it provide academic supplies and equipment generally at a low price level, and maintain a management of the Store that insures prompt and efficient service with respect to all books, supplies and equipment required by the faculty; 3. That it offer at low prices certain additional items closely related to the academic and university community.

Guided by these broad propositions, the Store's Board of Directors devoted its attention to the following principal matters through 1961-62, stated generally in the order they were considered:

1. Reviewed existing discount practices;
2. Reviewed general pricing practices;
3. Decided to pay the unpaid balance on the 1959 \$25,000 bank loan, to cover an accrued athletic deficit, so as to save further interest costs;
4. Established the special "reserve fund", operating as a trust fund for particularly worthy programs and projects in the University Community;
5. Got the independent Board of Trustees, administering that Fund, selected and organized;
6. Reviewed the wage and salary scales of the Store's employees, comparing both the general market, and campus levels, to insure reasonable and equitable treatment;
7. Decided that the Store should ask to be housed in any new student union building that might be erected.
8. Considered a petition from the employees asking that, if possible, they be relieved of the burden of contributing to two retirement systems;
9. Began a preliminary study on the feasibility of "buying back" all books which the students are required to purchase for classroom use.

The most pressing item of business at the outset, carried over from the spring of 1961, involved the question of whether existing "discount pricing practices" could be justified. Although no study of the problem had been made at that time, a student member vigorously pushed a proposal that the Store's management be instructed to discontinue forthwith all discount practices, particularly those given to some but not to others. This proposal was rejected by one vote, only after it was agreed that the entire matter of discounts should become the first item of business in the fall, and would be studied thoroughly in 1961-62. So that was one of the first problems tackled in the year just finished.

Early in the fall, Mr. McCollum, the Store's manager, listed seven "areas" of sales on which he said discounts were given. They may be summarized thus: 1. Goods bought as "gifts" by faculty and/or student organizations; 2. Three classes of book sales to "faculty" with 5-10% discounts; 3. Discounts given on quantity or large item purchases; 4. He also mentioned the especially low price which the store placed on athletic goods.

On the first class of purchases, though there was some question whether discounts on gifts were available to all such groups alike, or only to some, the Board voted to continue this discount, with the understanding that the discounts should be available to all persons and organizations in this class making purchases. In support of the book discounts to faculty, it was pointed out that they received larger discounts from the publishers, generally, but often preferred to buy through the Store for its convenience. These sales helped defray operating expenses without any prejudice to the Store's other customers. So, the Board voted unanimously to continue this discount practice. It voted to postpone action on the third type of discount, and on the pricing of athletic goods, so it could consider them along with its review of general pricing policies.

It began a review of the Store's current general pricing policy, by appointing a committee to make a spot check, comparing prices on typical items sold by the Store, with those charged by down town stores. Some comparison also was made with other student stores. Although these comparisons showed that our Store's prices practically always were as low as or lower than other stores, it gave us little basis on which to determine whether our general pricing level should be changed. However, prudent business management would seem to require that the Store make in the neighborhood of 3-1/2% net operating profit, to provide for capital outlays of all kinds, for necessary growth and maintenance.

So, relying on the general principle that our prices should be as low as prudent management will permit, the Store finally approved a resolution calling for a reduction in the prices of books and supplies required in course work, whenever its surplus profits exceeds 4%. This figure was chosen as the "breaking point," for prudent management. Any excess surplus resulting in any particular year from the 3-1/2-4% spread would be transferred to the Special Reserve Trust Fund discussed just below.

The related matter of "quantity discounts" was left to the judgment of the general manager. The present favorable price level on athletic goods, made possible only because the Store has a dealership for such goods, also was approved.

Early in the fall, Mr. McCollum reported that the Store could spare enough of its surplus to pay the balance, including that not yet due, on The First National Bank athletic loan, underwritten by the Store's operations in 1959, and recommended that the Board approve that expenditure to save interest charges. The Board approved his recommendation at once.

In December, following Mr. McCollum's report that it would be possible to transfer \$2,000 to the "special reserve fund," operating as a trust fund for especially worthy projects on the campus, the Board authorized the transfer of that amount to that fund. The five members of that Board of Trustees, provided for to administer that fund, also were duly appointed--two by the Store's Board of Directors; two by Central Board, and one by President Newburn. The Board appointed Mrs. Margaret Ephron, and Mr. Dennis Adams, then current ASMSU president; Central Board selected Mr. Garvin Shallenberger, and Mr. Edmund Freeman; and the President chose Mr. Kirk Badgley. The Chairman of the Store's Board, Mr. Edwin Briggs, was instructed to take the necessary action to organize this Board of Trustees for discharging its responsibilities, which was accomplished in April. Though this Board of Trustees will make its own public statement, concerning its policies for granting

financial assistance, it may be said here that, following two official meetings, they appear inclined generally to limit these funds to particularly worthy projects for which there is no other source of revenue available, or, because of special circumstances, need assistance beyond their normal resources.

When it was studying and framing its general pricing policy, the Board recognized that the Store's wage and salary scale was closely related to the operation of that policy. So, in the spring, it reviewed the existing wage scale, comparing it both with general market and campus scales for comparable employment, to maintain a favorable competitive position, and to insure reasonable and equitable treatment of all its employees. This established the need for an increase in the wages paid a majority of the regular employees.

Early in May, the Board suddenly was informed that the University administration had been working with a special student-faculty committee for some time, completing arrangements for a new student union building, and was asked to act immediately to determine whether the Associated Students' Store Corporation wished to be housed in any such new building. In a special meeting, called for that purpose, Mr. McCollum assured the directors that the Store needed more space right now, and that its needs would increase substantially in the near future. It also was informed that the Food Service would require all the floor space in the Lodge within the next few years. On these findings, the Board voted unanimously to ask the student union committee to include its space needs in those submitted to the student union architect.

One of the last matters considered by the Board of 1961-62 was a petition received from the Store's employees asking that, if possible, they be relieved of the burden of contributing to two retirement systems, as they do under present practice, established while they were considered University employees. All of the latter contribute both to federal social security, and to the State's "Public Employees Retirement System." Our employees insisted that with existing wages, some of them were having to draw on their savings to meet current living expenses. As employees of a private business, they should not have to contribute to PERS. The Board voted to ask the business office to make the necessary inquiry to determine whether they should not be removed from the PERS rolls. The inquiry has been made. Action on this matter awaits a reply from the director of PERS.

The above paragraph was written for an annual report to President Newburn, as of July 1, 1962. Later in the summer PERS ruled that the Store's employees did not qualify for coverage under that System; the Store's Executive Committee met in the summer and authorized their withdrawal therefrom; and PERS already has returned the contributions which each was entitled to have refunded, both to the Store and to the individual employees. In its October meeting, the Board of Directors approved this action by its executive Committee. Hence, this item of business now may be considered disposed of to the complete satisfaction of everyone concerned.

The Board also has begun a preliminary study on the feasibility of buying back all books required of the students for course work. Some investigation of the experience of other schools was begun. For some time, now, the Store manager has arranged to have a "buyer" of old books present in the store at the end of each quarter. Our findings so far are inconclusive; so the matter will be considered further in 1962-63.

In April and May, 1962, Mr. McCollum found it necessary to limit his personal supervision of the Store's operations, because of a painful flare-up of an old back injury. However, with the able assistance of Mrs. Marie Cummings, and Mr. Nelson Fritz, as acting co-assistant managers, store operations went off without a hitch. Mr. McCollum insisted on having a part of his salary added to those of these assistants, for this period, to compensate for the extra responsibility they assumed--a generous arrangement simplifying greatly a problem of management during this period.

Respectfully submitted,

Edwin W. Briggs

Chairman, Board of Directors
Associated Students' Store

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Part IV

1962-63 Store Board Business to Date

At the meeting of the Associated Students Store Board of Directors on October 15, 1962, Mr. Edwin Briggs and Mr. C. L. Murphy were elected unanimously as chairman and secretary respectively for the fiscal year 1962-63.

Also at the October meeting a committee of Earl Bouse, chairman; Kay Edwards and Penny Huntsberger, was appointed to correspond with other college book stores in regard to the buying of used text books. At the March meeting the committee submitted its report which is found in the appendix.

The 1962-63 membership of the Student Reserve Fund are Kirk Badgley, chairman, Mrs. M. Ephron, Mr. Shallenberger, Mr. E. Freeman, and Dan Bieri. The functions and operations of this committee are explained in the 1961-62 annual report.

During the campus discussion of a new Student Union Building, the Store Board of Directors hold lengthy discussions regarding the pros and cons of being a part of any such building. If and when a new Student Union Building is again proposed, the Store Board of Directors will undoubtedly consider once more the idea of relocation.

At the beginning of the Winter Quarter 1963, it was necessary to fill the vacancy left by student member, Kay Edwards. The student committee members nominated Dan Bieri, who was approved by the student members of the board.

At the present time the Board is considering "the feasibility and desirability of expanding our book list so as to consider the practical problems of a great book corner." Dr. Chessin and Dr. Vinocur are the appointed committee to investigate the possibilities.

Along with the current consideration of a great books corner is the speculation on additional space for expansion of the store.

Following a lengthy discussion of probable profit trends for the current year, at the February meeting Mr. Henningsen made a motion which was seconded and passed, that on a trial basis the Store provide the students, graduate students and faculty with caps and gowns for graduation free of charge, plus seven Senior announcements and that hoods be furnished at the usual rate. However, there will be a regulation \$5.00 deposit for all gowns.

At the time of this report the following are members of the Associated Students Store Board of Directors:

Faculty Members:	E. W. Briggs, Chairman; F. L. Brissey; Meyer Chessin; F. A. Henningsen and Jacob Vinocur.
Student Members:	Dan Bieri, Earl Bouse, Barry Davis, Penny Huntsberger and Kathy K. Johnson.
Ex Officio Members:	Morris McCollum, Store Manager; C. L. Murphy, Secretary-Treasurer.

Respectfully submitted,
April 17, 1963

Kathy K. Johnson
Senior Delegate to Central Board
Store Board Member

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Price Comparison Study

ITEM	OFFICE SUPPLY	TYPEWRITER SUPPLY	STUDENT STORE
Thinex Colored Pencils	.15	.15	.10
Drawing Pencils #4H	.20	.15	.10
Red-Eye Prong Fastener Folders	.60	.50	.35
Legal Pads (50 Sheets)	.40	.35	.25
Index Cards 3 x 5	.25	.25	.15
4 x 6	.35	.45	.25
5 x 8	.60	.75	.35
Higgins India Drawing Ink	.40	.40	.40
Black Poster Board 22 x 28	.25	.20	.15
Rapidograph Pens	4.50	4.50	3.75
Filler Paper Narrow - College 100 Sheet count	.49	.50	.39
Notebook (40 sheet)	.49	.49	.25
1 Ream 16# Yellow Second Sheets	1.35	1.10	1.00
1 Ream 50% Rag Content Typing Paper Gilbert	4.75	- - -	3.75
Slide Rule, Student's General - Cheap	2.75	1.95	1.95

Pricing Policy Adopted May 25, 1962

WHEREAS, both the statutes for non-profit corporations, under which the Associated Students' Store is incorporated, and its Articles of Incorporation require that it not be operated to make a profit; and

WHEREAS, prudent business management requires that it adopt a schedule of retail prices at a level reasonably calculated to produce an operating surplus of approximately 3 to 3½%, under normal conditions, so as to provide for necessary growth to meet enrollment increases, and for re-currently necessary capital additions;

THEREFORE:

BE IT RESOLVED that, for any fiscal year immediately following one in which the surplus remaining after deducting all costs from gross sales, exceeds 4%, the store manager shall review the Store's operations and sales prospects to determine whether such excess surplus is likely to continue, and to report his conclusions to the Board at its first meeting in the fall, and advise them thereon; and

BE IT FURTHER RESOLVED THAT, should the Board conclude at that time, that the store will continue to earn such excess surplus unless its price schedules are modified, it shall direct the store management to reduce the retail mark-up on "text-books" and on "school supplies", for the next year, sufficiently to reduce that surplus to the point required by prudent management.

Pelacy

Average cost of Textbooks - Athletic Scholarships - - - \$18.50 per quarter

Average cost of Textbooks - Regular Students - - - - - \$20.10 per quarter
per year - \$60.30

If students could resell one book per quarter their books would cost them \$20.10
Price if used book sold -4.50
\$14.60

A total cost of approximately \$45.00 per year if we discounted 5% they would
save - per year \$2.25.

If we gave them their Cap & Gown plus seven announcements at going
Cap & Gown Outfitters rates - it would amount to \$3.95
Seven Senior Announcements @ .15¢ 1.05
Would be a savings to students of \$5.00

ANNOUNCEMENT

FACULTY * GRADUATE STUDENTS * SENIORS

Five years ago the Associated Students' Store moved from the Old Student Union Building to the New Lodge Building. Naturally, this incurred many additional expenses. Cost of moving, painting, new equipment and additional stock.

Now, at last, we are getting caught up on extra expenses, and your Board of Director's wishes to declare a small dividend to you who have been with us the longest.

This year Graduating Seniors and Graduate Students receiving degrees will receive the following:

Cap & Gown free of rent and 7 Senior Announcements without charge.

Faculty members will receive Cap & Gown free of rent without charge.

The regular rental price will be continued on hoods.

There will be a deposit of \$3.00 for each outfit issued. This amount will be refunded when the outfit is returned.

ASSOCIATED STUDENTS' STORE
on Campus ***** Lodge Building

Committee Report on Book-Buying Policy

Committee members: Earl Bouse, Penny Huntsberger, and Kay Edwards

The committee investigated the book-buying policy of six bookstores. Questionnaires were sent to the following concerns: Northwestern University Bookstore, University of Minnesota Bookstore, Barnes and Noble, Inc., University of Florida Bookstore, University of Washington Bookstore, and University of Idaho Bookstore. Of the above concerns, all answered except the University of Florida. The attached letter shows our approach and method of obtaining the information for the survey.

The answer to the first question pertaining to the percentage of the original price paid on buy-back was almost unanimously uniform. If the book is currently used and in salable condition, 50% of the original price is paid back to the student. This pertains to both first and second buy-back. The books that are not to be used in succeeding quarters are purchased through a wholesale book agent, generally at 1/4 the list price.

The disposal of odd books is a problem that faces all the stores. Here again our findings indicated that the policy pursued at M.S.U. was very much in accord with these other stores. All of them commented that it was a difficult problem, only to be partially solved by wholesale buyers and exchange of want lists among the stores. As Mr. Chester Kerr of the University of Idaho stated, "There is no satisfactory solution to this problem--either to the students or the bookstore. If an instructor drops a text and the store will have no use for it, I'm sure you would agree that it cannot be bought for resale, so it must be bought for the wholesale market." After going over with Mr. McCollum all the suggestions we received, we were more than satisfied with our store's handling of this department.

Overall the survey accomplished very little except to learn that our policy of buy-back at M.S.U. was above average in fairness to the student. We pay 60% of the original price rather than 50% as most do. We attempt to have wholesale buyers here at the end of each quarter for the students' convenience, and through the use of want lists among the stores we endeavor to dispose of discontinued books at a higher return for the student.

If our findings were more definite and less flexible, a complete report to the student body would be feasible. But due to the many variables inherent in each university's book-buying policy, a report of our findings would only further confuse our book-buying policy.

Respectfully submitted,
Earl Bouse
Penny Huntsberger
Kay Edwards

P R E A M B L E

KNOW ALL MEN BY THESE PRESENTS, that the undersigned, being students and faculty members at Montana State University, and responsible for the administration of the Student Store operation there, as members of Student Store Board, and believing that we can better serve and protect that Store's interests by incorporating, in conformity with and pursuant to the laws of the State of Montana relating to corporations for religious, social and benevolent purposes, do hereby organize and form a body corporate, the object of which is not pecuniary profit, and for that purpose do hereby agree upon and adopt the following.

ARTICLES OF INCORPORATION OF THE ASSOCIATED STUDENTS STORE

ARTICLE I.

NAME

This corporation shall be known as the Associated Students' Store.

ARTICLE II.

PURPOSES AND POWERS

A. The purposes and objects for which said Associated Students Store is formed, are:

To promote and foster the educational, intellectual, cultural, social and athletic interests of the student body and faculty of Montana State University.

To provide books, stationery, confectionery and other student supplies and commodities at the lowest cost consistent with the welfare of the store.

To purchase, lease, or otherwise acquire, or hold or dispose of an appropriate place of business, as approved by the board of directors of said corporation.

To borrow money, pledge credit and mortgage security to the extent necessary to the accomplishment of the aforesaid purposes.

B. Pecuniary profit to members shall not be an object of the Associated Students Store, nor shall any dividends be distributed to the members of the corporation. Any accumulation of funds over and above the needs of the store as determined by the Board of Directors, shall be paid into a special reserve fund to be used for special programs, services, projects, or capital improvements, of particular educational, cultural, and institutional value to the University community. Such transfer shall divest the store of its interest therein, and this Special Reserve Fund shall be free of any further control by the Associated Students' Store. It shall be held in trust for the uses and purposes stated herein, and shall be administered by a Board of Trustees, selected in the manner provided for in the bylaws.

ARTICLE III.

BUSINESS ADDRESS

The place of business of the Associated Students' Store shall be Montana State University, Missoula, Missoula County, State of Montana.

ARTICLE IV.

DURATION

The period of existence of said store shall be perpetual.

ARTICLE V.

MEMBERSHIP

A. Until such time as the Montana State University student body and faculty vote to become members of the Associated Students' Store, its membership shall consist of the ten members composing the Board of Trustees, provided for in Article VI.

B. When that student body and faculty vote to become members of the Associated Students' Store, its membership shall include two classes with equal interest. The first class shall include all regularly registered students at Montana State University and the second class shall consist of all members of the faculty, as each class is defined in the bylaws.

Such membership shall terminate upon the graduation, withdrawal, resignation, expulsion, or severance by any other means of these aforesaid relationships.

ARTICLE VI.

BOARD OF TRUSTEES

A. The corporate powers, business, and property of the Associated Student Store, shall be exercised, conducted and controlled by a Board of Directors, composed of ten members, with due regard to the fact, however, that, because of his general powers and responsibilities, the President of Montana State University is authorized to require that all facilities serving the University community, and operating as part thereof, be administered for the general welfare of that institution.

B. Until the University students and faculty become members, the Board of Trustees shall continue to be selected as at present; i.e., five student members shall be chosen by Central Board, and five members, representing the administration and faculty, shall be appointed by the University President.

C. When the students and faculty become such members, class one membership, as defined in Article V, shall elect five (5) members, as provided for in the bylaws. For class two, the Budget and Policy Committee or its successor shall appoint five (5) faculty members with the approval of the President of the University, with terms as provided in paragraph (D) of this Article.

Candidates for membership on the Store Board shall have attained their legal majority before they take office.

Until the initial appointment or election of the board, hereunder, the undersigned members of Store Board shall serve as trustees of the corporation.

D. Those directors representing class two membership, shall hold office for three years, staggered, however, by the following procedure: Immediately following their first election, they shall draw lots to determine which one shall hold for one year, which two for two years, and which two for three years for the initial term. Thereafter, each office shall be filled as provided for in Article VI (C), supra, on expiration of its three year term.

ARTICLE VII.

AMENDMENTS

These Articles may be amended by a two-thirds vote of the total membership of the corporation, at a meeting duly called for that purpose, upon the notice provided for in R.C.M. 1947, Sections 15-202 through 15-204, or any sections superseding them. They also may be amended without such formal notice, by the filing of written approval thereof in the office of the corporation, by two-thirds of its total membership, as authorized in the alternative, by R.C.M. 1947, Section 15-203 or any section superseding it.

EXECUTION CLAUSE

IN WITNESS WHEREOF, the undersigned, being all of the incorporators designated in the Preamble to the above Articles, and entitled to serve as the first trustees, pursuant to Article VI (B), execute these Articles of Incorporation and certify to the truth of the facts therein stated, this 31 day of March, 1961.

E. K. Badgley (sgd.)
E. K. BADGLEY

Virginia Ragland (sgd.)
VIRGINIA RAGLAND

Edwin W. Briggs (sgd.)
EDWIN W. BRIGGS

Dan Bieri (sgd.)
DAN BIERI

Seymour Betsky (sgd.)
SEYMOUR BETSKY

Susan Frizelle (sgd.)
SUSAN FRIZELLE

Forrest L. Brissey (sgd.)
FORREST L. BRISSEY

Jan Gerbase (sgd.)
JAN GERBASE

Dorsey E. Wiseman (sgd.)
DORSEY E. WISEMAN

John Wertz (sgd.)
JOHN WERTZ

IN WITNESS WHEREOF, I hereunto set my hand and affix my Notarial Seal the day and year first above written.

M. A. Satterfield (sgd.)
NOTARY PUBLIC for the State of Montana;
Residing at Missoula, Montana.
My Commission expires August 9, 1961